

New Zealand: Ashburton meat works closure threatens 370 jobs

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Silver Fern Farms (SFF), New Zealand's largest meat processing company, announced on May 17 that it planned to shut its Fairton sheep-meat factory outside Ashburton, making 370 workers redundant. The decision will end 125 years of operations at the factory and will be devastating for the town of just 20,000 people.

The closure is part of a wave of job cuts underway with the collaboration of the trade unions, including the closure of Cadbury's chocolate factory in Dunedin and cuts to library jobs in Auckland.

A final decision on the Fairton closure will be announced at the end of the month, however the political establishment and the Meat Workers Union have accepted the closure as inevitable.

Workers expressed anger after being told of the decision. Murray Mcfall, who has worked at the factory for 25 years, told Fairfax Media: "There's been very poor treatment; it's been pretty awful to work there and a lot of people are pretty upset.... Slowly but surely it got worse, there was less and less work and it drove a lot of people out."

Prior to 2010, the Fairton plant processed one million animals per season, but numbers plunged to just 325,000 in the last season. The factory is now only operating for six months per year, with workers laid off for the other six months.

SFF's announcement follows a decades-long decline in New Zealand's sheep-meat industry. Last year the sheep population fell to 28.3 million, down from a peak of 70 million in 1982. Many sheep farms have converted to more profitable dairy operations.

Last year meat exports fell by 13 percent or \$900 million, due to lower sales to Britain and the US. Silver Fern Farms (SFF) lost \$30 million in 2016.

The industry faces more uncertainty as a result of the

turn towards economic nationalism in every country. The Trump administration's "America First" repudiation of the Trans-Pacific Partnership, combined with Britain's nationalist preparations to exit the European Union, have caused considerable anxiety for NZ exporters. This month Britain's fifth-largest supermarket chain, The Co-op, banned sales of NZ lamb in response to lobbying from the British Sheep Association.

A recent report by Rabobank also warned that New Zealand's biggest export market, China, is "capable of increasing [sheep-meat] production to largely meet domestic demand should high import prices incentivise it to do so."

Since the onset of the 2007–2008 financial crisis SFF has closed several factories, including six in 2008 alone, with 1,000 job losses. In 2012, the rival cooperative Alliance Group shut its sheep-meat plant in the South Island town of Mātaura, with 325 job cuts. Another 300 jobs were lost with the closure of the Ovation meat works in Waipukurau. Last October, SFF closed two factories in Mossburn and Frasertown, at the cost of 110 jobs.

The working class is being abandoned for corporate interests. Minister for land information, Mark Mitchell, callously told Fairfax Media that the closure of the Fairton plant—and the impoverishment of the community—was necessary "to ensure the ongoing viability of [SFF's] operations."

The Meat Workers Union (MWU) is openly collaborating with the corporate elite. It issued a statement declaring that it would "engage with the consultation process" with SFF, but "we don't have high hopes of a change in decision by the company." In October 2014, MWU leader Roger Middlemass told the *Manawatu Standard* the union would agree to more

closures to reduce “overcapacity” and protect the profits of the remaining New Zealand-based companies.

Following the closure of the Mossburn and Frasertown factories a MWU official told Radio NZ on October 26, 2016 that the devastation of working class conditions in Mossburn was “terrible” but “something that had to happen.”

The union has collaborated for decades with meat companies and governments on the orderly closure of factories and to increase exploitation in the industry. Last month the MWU imposed a sell-out agreement at Wellington’s Taylor Preston meat works, with wage rates barely above the minimum wage and highly insecure conditions, setting a benchmark for attacks at other plants.

The opposition Labour Party, the Greens and New Zealand First have all blamed the Fairton closure on foreign investment. Along with the MWU, the parties have criticised the government for approving a deal last September for Chinese company Shanghai Maling to buy 50 percent of Silver Fern Farms.

This is part of a long-running campaign to whip up nationalism and anti-Chinese xenophobia. Labour and its allies have previously denounced imports of Chinese steel and Chinese investment in farmland. They have also scapegoated Chinese immigrants for the high cost of housing, which is the product of rampant speculation by local investors.

These parties want New Zealand to align more openly with the US, which is threatening trade warfare against China. Under Obama and now Trump the US has moved vast military resources into Asia to threaten war with China and its ally North Korea.

In response to the Fairton closure Green Party MP Eugenie Sage declared that, “Keeping our primary sector businesses in New Zealand hands helps ensure local communities are respected and considered.”

This is a lie. Decades of attacks on meat workers prove that New Zealand capitalists are just as ruthless as their overseas counterparts. The Fairton closure would have happened regardless of the nationality of Silver Fern Farms’ shareholders.

The Labour Party bears direct responsibility for tens of thousands of job losses in meat processing. The 1980s Labour government of David Lange responded to the increasing globalisation of production by

stripping away national protections and subsidies and deregulating the agriculture sector.

Labour’s removal of subsidies for sheep farmers had a devastating impact. Journalist Neal Wallace noted that the government-owned Rural Bank estimated between 8,000 and 9,000 farmers were in financial distress in 1986 and 52 farmers committed suicide in the space of one year.

In the name of increased competitiveness, hundreds of factories were shut. Between 1986 and 1990 alone, 15,000 meat workers lost their jobs.

More attacks are being prepared. SFF chief executive Dean Hamilton told Fairfax the company would not close more factories “this season.” Beyond that, he said, more closures were possible.

The working class must launch a fight for decent jobs, wages and conditions. This requires a rebellion against the unions, Labour and its allies, which all agree with the government that workers must sacrifice to defend the profits of NZ companies.

Meat workers need their own rank-and-file committees, which they control, to mobilise independently of the unions. They must forge links with other factories in New Zealand and other countries, including Australia, who are facing the same attacks. Workers should reject the nationalism and anti-immigrant xenophobia that is used to divide workers and promote illusions in New Zealand companies.

To fight for their independent interests workers need a new party, based on socialism and internationalism. Major industries must be nationalised and placed under the democratic control of the working class, run in the interest of human needs, not the private profits for a capitalist elite.



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